
PT Bakrie to lift Bumi and Bakrieland stakes

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Reuters reported that Indonesia's PT Bakrie & Brothers Tbk plans to raise its stake in coal miner PT Bumi Resources Tbk to about 27% from 20% currently.

The diversified group, whose interests range from plantations to telecoms and coal, struck a number of deals including sale stakes, late last year to help repay around USD 1.2 billion in debt.

Mr Dileep Srivastava director of Bakrie & Brothers said that his company planned to buy back shares in property firm PT Bakrieland Development Tbk to lift its stake to 23% to 25% from 15% currently. He said that a call option would be exercised to lift its stake by 7.78% in Bakrieland.

Bumi Resources was involved in some controversial acquisitions of coal mines in January. The firm last week revised the terms of one of 3 coal mine acquisitions after investors complained about corporate governance and a market watchdog said valuations were unfair Bumi had planned to buy a 76.7% stake in Fajar Bumi for IDR 2.47 trillion but after market watchdog Bapepam said the price was too high, it agreed to re-negotiate the terms.

Mr Ari Hudaya director of Bumi said that Bakrie & Brothers also planned to seek loans to finance its investment plans using assets as collateral.

(Sourced from Reuters)

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